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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001661

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SUBJECT: KMT HONORARY CHAIRMAN LIEN CHAN OFFERS TEPID
SUPPORT FOR MA YING-JEOU, OPPOSITION TO UN REFERENDUM

REF: 2005 TAIPEI 4316

Classified By: AIT Director Stephen M. Young. Reason(s):
1.4 (B/D)

¶1. (C) Summary. KMT Honorary Chairman Lien Chan on July 24 conveyed to the Director his lukewarm support for KMT presidential candidate Ma Ying-jeou, suggesting cracks in the KMT political firmament that could undermine Ma's campaign. Lien did not indicate concrete plans for continuing his cross-Straits KMT-CCP initiative, and his apparent distance from Ma Ying-jeou suggests this will not be a centerpiece of Ma's cross-Straits platform. He obliquely acknowledged that KMT failure to inform the Chen administration may have prompted its refusal to permit PRC Taiwan Affairs Office (TAO) Chairman Chen Yun-lin to visit Taiwan over the past two years. End Summary.

¶2. (SBU) The Director called on KMT Honorary Chairman Lien Chan at his Cross-Straits Peace and Development Foundation on July 24. A relaxed, avuncular and soon-to-be first-time grandparent Lien was accompanied by former TECRO Washington Representative Stephen Chen, now a Senior Advisor at the National Policy Foundation (NPF), a KMT think tank founded by Lien.

Tepid Support for Ma Ying-jeou

¶3. (C) In response to the Director's inquiry about KMT support for presidential candidate Ma Ying-jeou, Lien responded, "We have no other choice; this is the man and this is his hour." Therefore, he (Lien) had directed the NPF to assist Ma and serve as Ma's brain trust. (Note: Stephen Chen separately told AIT that NPF is deeply involved in Ma's campaign and has analysts "at every one of Ma's stops"; AIT notes these specialists do not actually accompany Ma and, according to people close to Ma, are not an integral part of his campaign. End Note.)

¶4. (C) Lien offered similarly tepid support for Ma's running mate, Vincent Siew (Xiao Wanchang). Noting that Siew is "a good man" with whom he had worked well for many years during the KMT era and who had been his (Lien's) vice presidential running mate in 2000, Lien noted cryptically that he and Siew "sometimes see things differently." Lien said he expressed "reservations" in 2002 as KMT Chairman when Siew told him he

wanted to contribute to the new Chen government as an economic consultant. Siew, he concluded, "did not listen to my advice."

KMT Cross-Strait Initiative

15. (C) Lien told the Director that the KMT's primary cross-Strait policy is maintaining the status quo, a position supported by the majority of Taiwan people who "do not want to rock the boat." The Director asked Lien if he had discussed China's ongoing drive to squeeze Taiwan's international space during his three Beijing visits over the past two years. Yes, Lien responded, increasing Taiwan participation in international organizations was one of the "five points" agreed during his April 2005 inaugural visit to Beijing. Lien said he raised this issue with President Hu Jintao during their one-on-one meeting, and Hu agreed the two sides should work out a modus vivendi to resolve the issue of Taiwan participation in international fora. In fact, Hu told Lien, the PRC was planning to sign an MOU with the WHO Secretariat the following week to allow greater Taiwan

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participation in WHO technical meetings and requiring only post facto notification to Beijing, vice the previous requirement of advance permission from Beijing. (Note: This agreement is regularly lambasted by DPP leaders as a secret agreement intended to sharply limit Taiwan's participation in WHO activities. End Note.)

16. (C) The Director reminded Lien that while the KMT-CCP dialogue has been a step forward, the U.S. has long urged Beijing to talk directly with the elected government of Taiwan. Lien responded that he fully agreed and -- in something of a non sequitur -- explained that one of the

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"five points" was to establish a twice-annual series of KMT-CCP forums on politics and security and on economics. The two sides had commenced with economics, he explained, on the assumption that this would be less controversial. Taiwan authorities, however, summarily rejected the KMT application for TAO Director Chen Yunlin to visit Taiwan for the first forum in Fall 2005. Upon questioning, however, Lien acknowledged that "maybe we surprised MAC" (Taiwan's Mainland Affairs Council) and "perhaps our application was too sudden." (Note: MAC officials at the time told AIT that the KMT had not attempted to prepare the way for the PRC visit applications, leading them to conclude this was a political ploy by the KMT. See reftel.) Lien insisted the KMT gave MAC more lead time the second time around in August 2006, but the 66 TAO visit applications never got past the Interior Ministry. "What else could we do?" Lien asked, throwing up his hands. (Note: Taiwan's sudden loss of diplomatic partner Chad to Beijing last Summer effectively scuttled this visit. End Note.)

17. (C) The Director asked Lien how he viewed Beijing's attitude toward Taiwan based on his three visits. "I don't think Beijing leaders are stupid enough to have designs on Taiwan other than maintaining the status quo," Lien responded. Taiwan's current situation, he said, fully serves the interests of the PRC. The danger, he noted, is that Chen could put the PRC in an impossible predicament and force it to act. Consequently, he urged the Director, the U.S. should give President Chen a clear, precise message on the UN referendum that leaves Chen no wriggle room for lawyerly wordsmithing.

Comment

18. The relaxed Lien appears to have accepted that he is now on margins of KMT and Taiwan politics. He did not indicate interest in involving himself further in KMT internal politics, particularly the discord and mutual distrust

between Ma and Legislative Yuan (LY) Speaker Wang Jin-pyng. Lien's damning-by-faint-praise endorsement of Ma Ying-jeou's candidacy indicates there remain deep divisions within the KMT that could undermine Ma's chances in the presidential election next March.

YOUNG